



Risk & Insurance | Employee Benefits | Retirement & Private Wealth



## Faculty Senate Presentation

April 28, 2025

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# Agenda

- 1 | Self-Insured Overview and Financial Reports
- 2 | Plan Performance Executive Summary
- 3 | Requested Focus Areas
- 4 | Spousal Coverage Rule
- 5 | Health Management Initiative (HMI)

# HUB International, Heartland – Our Role

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- Benefits Consulting Firm who has partnered with Wright State University since 2012
- Provide aggregate reporting on medical claims and utilization
- Provide projections, trends, and forecasting for budgeting purposes
- Negotiate renewals and market each line of coverage (if necessary) each year on WSU's behalf
- Research and recommend vendors and solutions
- Provide Medicare resources and support
- Provide open enrollment support (website, on-site presentations, employee support via telephone, etc.)



# Self-Insured Overview and Financials

What it means for Wright State University to be “self-insured” for its medical, dental and vision coverages

# WSU Medical Plan Overview

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- WSU's health plan for medical & Rx coverage is self-funded, meaning WSU pays for all claims billed by the insurance carrier (Anthem) after member cost sharing is satisfied.
- WSU pays monthly fixed costs in addition to claims, including:
  - Administrative fees to Anthem
  - Stop loss premiums to the stop loss carrier (Anthem)
- WSU has stop loss insurance coverage of \$400,000 per individual member covered on the plan.
  - WSU's plan is liable for claims up to \$400,000 per member.
  - Claims over \$400,000 are the stop loss carrier's liability (Anthem).

# WSU Dental & Vision Plans Overview

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- WSU's dental and vision are self-funded, meaning WSU pays for all claims billed by the insurance carriers after member cost sharing is satisfied.
- WSU pays monthly administrative fixed costs to the insurance carriers in addition to the claims.
- WSU participates in the Inter-University Council (IUC) insurance consortium for dental and vision coverage.

# Medical Plan PEPM Claims vs. Fixed Costs

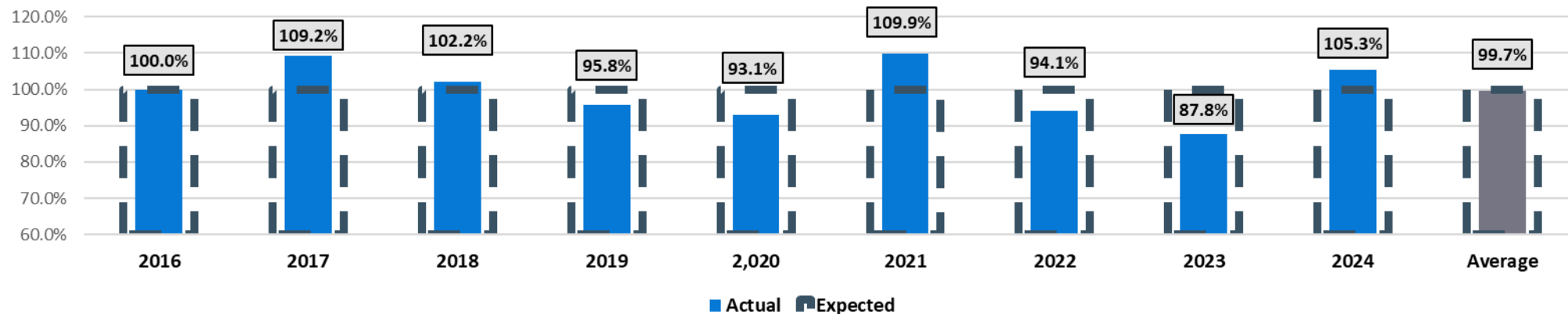


- Claims on average make up 92% of cost, and fixed costs are the remaining 8%.

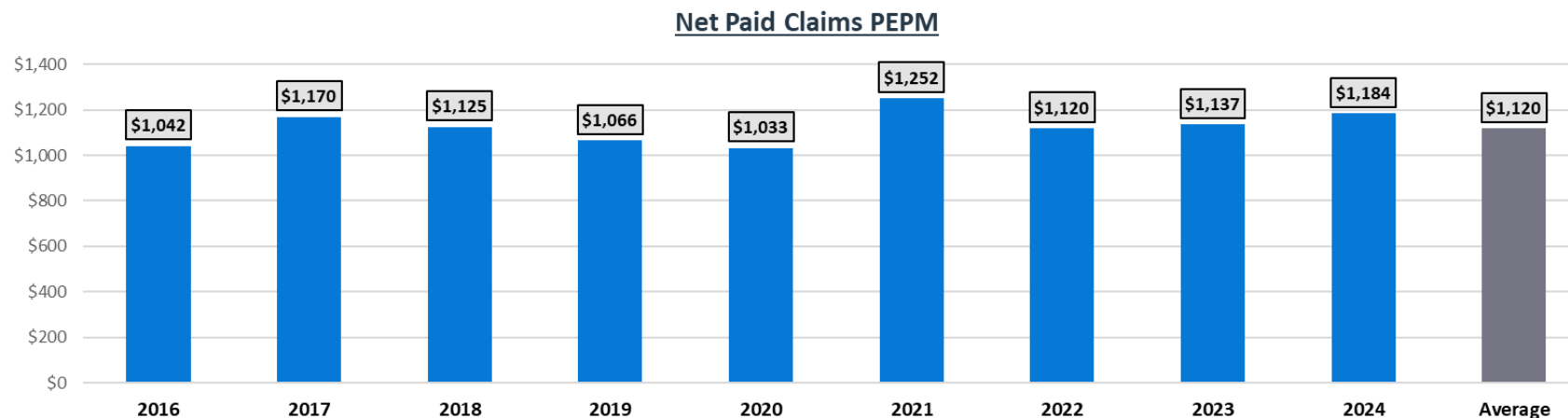
Net Paid Claims PEPM Summary										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	Average
Average Enrollment	2,296	2,126	1,901	1,716	1,594	1,429	1,346	1,261	1,213	1,654
Average Membership	5,327	4,932	4,410	4,171	3,759	3,326	3,085	2,876	2,676	3,840
Net Paid Claims PEPM	\$1,042	\$1,170	\$1,125	\$1,066	\$1,033	<b>\$1,252</b>	\$1,120	\$1,137	\$1,184	<b>\$1,120</b>
% Change from Prior Year	-	12.3%	-3.8%	-5.2%	-3.1%	<b>21.2%</b>	-10.5%	1.5%	4.2%	<b>2.1%</b>
Fixed Costs PEPM	\$83	\$94	\$90	\$87	\$93	\$95	\$98	\$113	\$136	<b>\$96</b>
% Change from Prior Year	-	12.3%	-3.8%	-3.4%	6.7%	2.4%	2.8%	16.1%	19.8%	<b>6.6%</b>
% Claims Cost	92.6%	92.6%	92.6%	92.5%	91.8%	92.9%	92.0%	90.9%	89.7%	<b>92.0%</b>
% Fixed Cost	7.4%	7.4%	7.4%	7.5%	8.2%	7.1%	8.0%	9.1%	10.3%	<b>8.0%</b>

\*2023 and 2024 fixed cost PEPM increases are driven by stop loss renewals.

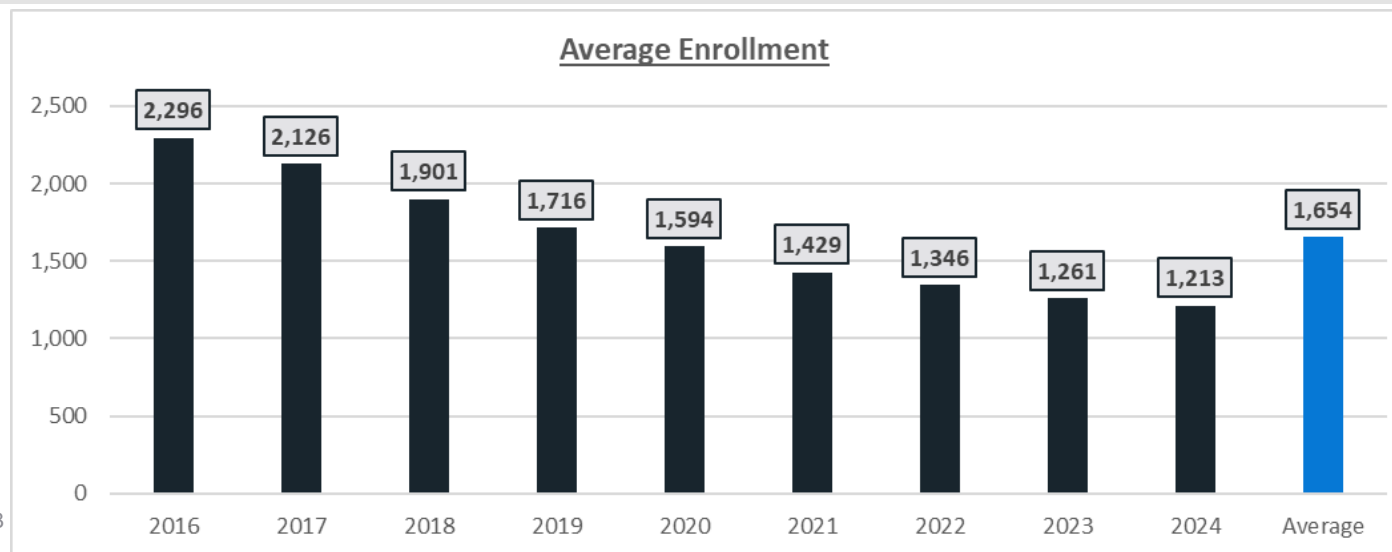
## Performance vs. Expected



# Medical Plan PEPM Claims vs. Enrollment



- Net paid claims are medical & pharmacy claims, after subtracting stop loss reimbursements for claims over specific deductible and pharmacy rebates received during the plan year.



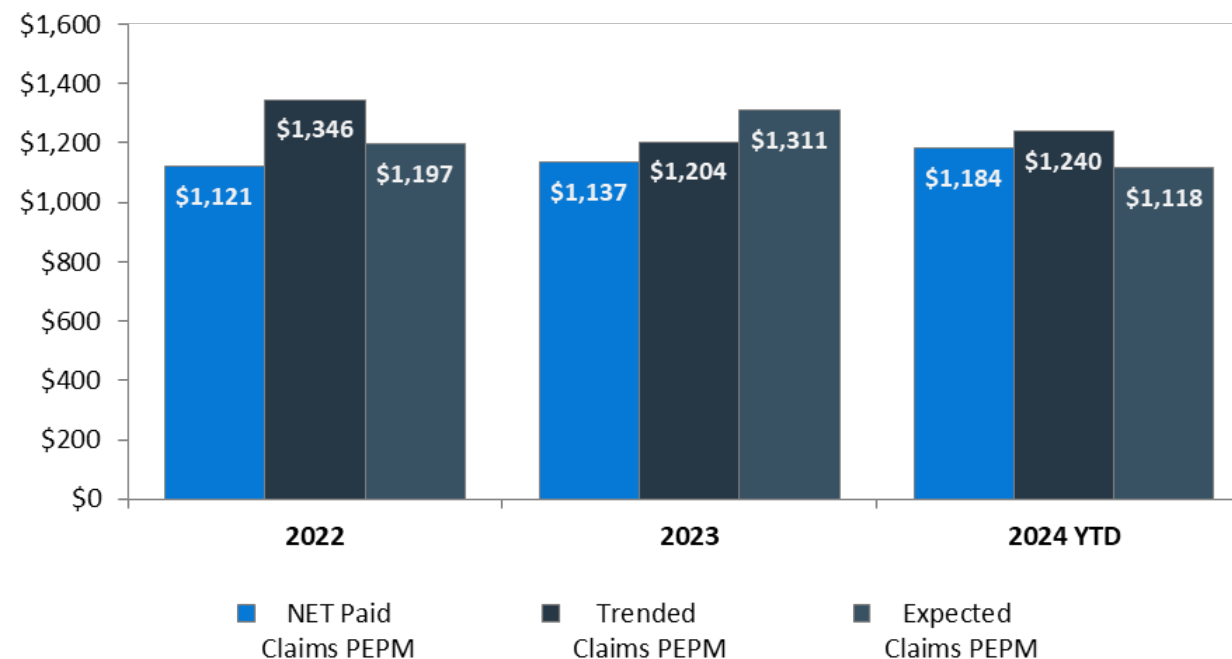
# Monthly Plan Report, January-December 2024



## 2024 Plan Year through December

- **Plan Performance vs. Expected (HUB adjusts enrollment each month)**

- 105.3% / \$969K over expected
- Increased frequency of claimants between \$25K-\$125K
- 2024 Pharmacy Rebates of \$1.6M are a 10% increase from 2023 rebates of \$1.46M



- **Plan Performance vs. WSU Budgeting (January expected costs and enrollment determines budget)**

- 103.1% / \$571K over expected
- **2024 Claims PEPM (\$1,184) are 4.2% above 2023 levels (\$1,137) and 5.7% above 2021 levels (\$1,121)**

# Plan Performance Review

## *Executive Summary*

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### Purpose:

*Drive strategic actions by analyzing medical & pharmacy claims year-over-year to identify **current and future risk, cost drivers, and utilization patterns***

# Plan Performance Review



## Data Parameters

**Current Period = Jan 2024 – Dec 2024**

**Prior Period = Jan 2023 – Dec 2023**

1. Includes Anthem medical and pharmacy plan paid claims
2. Does not include the following:
  - employee premiums or HSA funding
  - paid pharmacy rebates
  - stop loss reimbursements
  - administration fees or credits
  - member deductibles, copays or coinsurance

### Acronyms:

<b>PEPM</b>	Per Employee Per Month
<b>MPPM</b>	Per Member Per Month
<b>PEPY</b>	Per Employee Per Year
<b>MPPY</b>	Per Member Per Year
<b>PCP</b>	Primary Care Physician
<b>ALOS</b>	Average Length of Stay (Days)
<b>IP</b>	Inpatient
<b>OP</b>	Outpatient
<b>ER</b>	Emergency Room
<b>Rx</b>	Pharmacy
<b>PBM</b>	Pharmacy Benefit Manager

### Risk Score:

<b>Age/Gender Score</b>	Risk Score based on only demographic information
<b>Average Risk Score</b>	Current risk based on demographics and 1 year of claims experience
<b>Prospective Risk</b>	Projection of average risk over next 12 months

# Financial Summary



**Net claims increased 1% or \$210K in 2024, but net claims PEPM increased 7% and remain above national benchmark.**

## KEY INSIGHTS:

- Utilization and claims frequency in the range of \$50K-\$125K increased but this was offset by \$1.9M reduction in claims for the top catastrophic claimant(s) (\$2.5M to \$583K).
- Pharmacy script volume decreased 3% which reduced plan spend, along with Anthem's Cost Relief program which achieved net plan savings of \$263K (*2023 net program savings was \$266K*).
- Chronic conditions continue to drive claims severity due to comorbidities and high prevalence in WSU's population.

	Prior	Current	\$ Change	% Change	Prior PEPM	Current PEPM	Change	Benchmark <sup>2</sup>	v. Benchmark
Medical Claims	\$14,886,269	\$13,328,503	-\$1,557,766	-10%	\$970	\$915	-6%	\$767	19%
Rx Claims	\$5,881,931	\$5,761,015	-\$120,915	-2%	\$383	\$396	3%	\$268	48%
Total Claims	\$20,768,199	\$19,089,518	-\$1,678,681	-8%	\$1,354	\$1,311	-3%	\$1,035	27%
Total NET <sup>1</sup> Claims	\$18,655,811	\$18,865,556	\$209,746	1%	\$1,216	\$1,295	7%	\$1,035	25%
Average Enrolled	1,279	1,214	-65	-5%					

[1] NET claims removes all claims above \$400,000 per member reimbursed through stop loss.

[2] Benchmark is based on Data Warehouse book of business (13M members).

# Key Insights Summary



## Cost

- WSU paid 7% more in claims per member in 2024.
  - Total **net** claims PEPM (after stop loss reimbursements) increased 7% from \$1,216 to \$1,295 and are 25% above benchmark (norm \$1,035).
- WSU tends to exceed norm medical and pharmacy PEPM values due to several factors: WSU's average contract size; higher than norm cancer prevalence; chronic condition severity; pharmacy trend.
- Average membership decreased 7% (213 members) which impacts PEPM and PMPM metrics when enrollment drops at a faster rate than claims expense.
- The number of claimants between \$50K-\$250K in claims increased 15% (10 members) and added \$966K in claims to the plan.



## Demographics

- Spousal claims PMPY increased 30% to \$10,003, driven by 12 of the top 30 large claimants who are spouses (up from 7 in the top 30 in prior period).
  - 4 of the 12 spouses are no longer active.
- Employee claims PMPY increased 11% (excluding of the top catastrophic claimant(s) in both prior & current) due to 3 brand new large claimants exceeding \$200K each.
- Higher than norm average age of employees and spouses drives risk and claims PMPY.
  - Employee average age is 49.4 (norm 43.4)
  - Spouse average age is 51.4 (norm 47.3)
- Members 65+ have higher prevalence than norm and make up a greater percentage of claims than norm, due to large claims (7 of the current top 30, up from 4) and risk.

# Key Insights Summary



## Conditions

- Musculoskeletal and spine disorder claims continue to be a cost driver, making up 6% (\$1.1M) of total claims, and the 2<sup>nd</sup> most prevalent condition, affecting 20% of members.
- Cancer prevalence is 48% higher than expected, generating additional plan cost of \$573K based on WSU's average paid per claimant.
- Cardiovascular prevalence is at expected, but the per claimant cost is 22% higher than norm.
- Chronic conditions, such as diabetes, high blood pressure, and arthritis, drive 87% of total cost (norm is 79%) and prevalence remains 11% higher than norm.
- Average annual claims for a diabetic decreased \$4,542, while members with hyperlipidemia or hypertension increased \$2K to \$3K.



## Pharmacy

- Pharmacy claims make up 30% of total claims (norm is 26%), up from 28% in prior.
- 10 of the top 30 large claimants are pharmacy driven (same as prior).
- Ongoing specialty utilization and high script volume drives WSU's average cost PMPM to be \$179, which is 27% higher than norm of \$142.
- Cost Relief program produced \$266K in net plan savings in 2023 and \$263K net savings in 2024.
- Cost Relief mitigates a portion of specialty drug cost off the plan; however, specialty drug inflation as well as new utilizations contribute to plan spend being above norm year over year.
- Membership decline and/or reduction in scripts for complex treatment reduced plan spend \$121K even after increased spend for new utilizations and pharmacy trend impact.

# Requested Focus Areas

## Purpose:

*Drive strategic actions by analyzing medical & pharmacy claims year-over-year to identify **current and future risk, cost drivers, and utilization patterns***

# Emergency Room Utilization



## Outpatient (OP) ER spend decreased \$197K due to decline in severity of conditions being treated

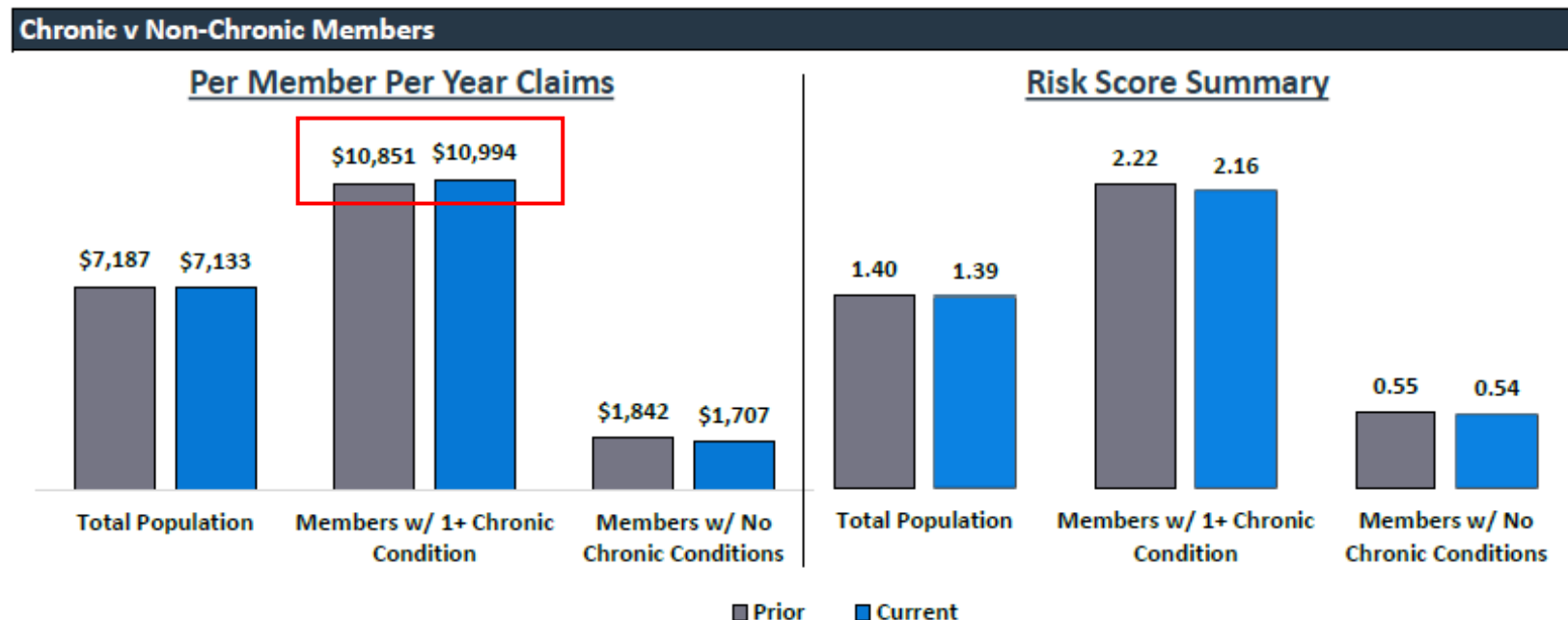
- There were fewer visits for: traumas to head & neck, comas, and kidney stones.
- The 2 most common visit diagnoses (abdominal disorders & chest pain) stayed about the same.
- In aggregate, OP ER utilization is below norm in volume and cost:
  - 159 visits on a per 1,000 basis (*norm is 190*); 148 in prior
  - \$1,994 plan paid per visit (*norm is \$2,124*); \$2,446 in prior
- WSU could save \$1,446 per visit redirected to PCP, retail clinic, or urgent care for potentially avoidable ER visits for strains/sprains, respiratory infections, headaches, & UTIs.

OP ER Cost per Visit by Severity Level					
	Prior Period	Current Period	% Change	Norm	Current v. Norm
Limited / Minor Visits	\$0	\$0	-	\$550	-100%
Low to Moderate Severity	\$444	\$374	-16%	\$703	-47%
Moderate Severity	\$1,356	\$1,338	-1%	\$1,163	15%
High Severity	\$2,238	\$1,750	-22%	\$2,108	-17%
Life Threatening	\$4,404	\$3,787	-14%	\$4,608	-18%
Total	\$2,959	\$2,501	-15%	\$2,818	-11%

# Chronic Conditions

## Members with at least 1 or more chronic conditions had the same average claims per year due to prior top claimant(s)

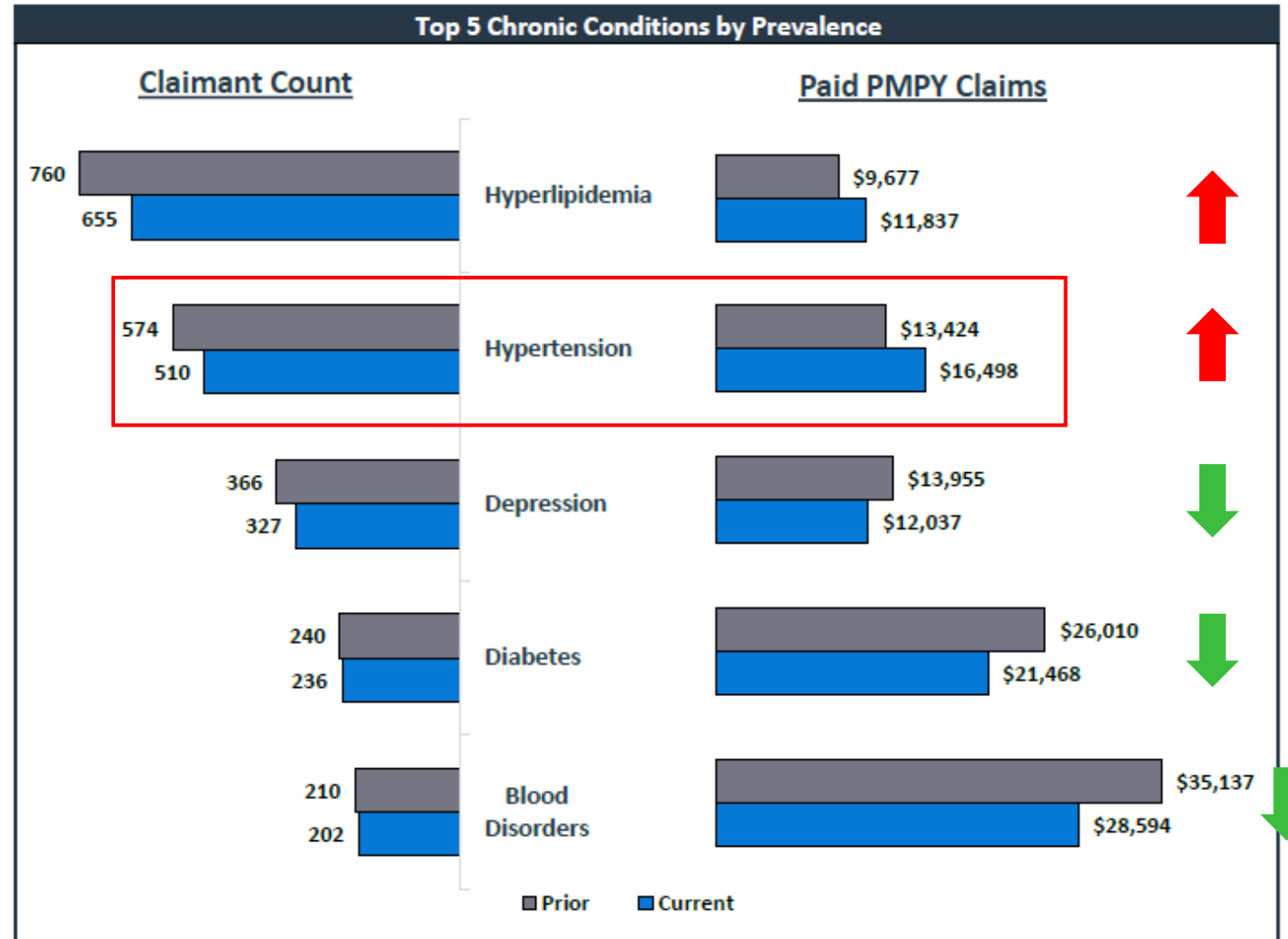
- Claims per member remained about the same because the \$1.9M claims reduction from the top claimant(s) was offset by increases from all other chronic members.
- This is primarily driven by the current top 30 large claimants: excluding the catastrophic claimant(s), the all others in the top 30 had \$2M in new claims in 2024.
- Within the top 30, 16 (53%) are employees and 12 (40%) are spouses.



# Top 5 Chronic Conditions

## Top 5 most common conditions remained the same, although claims PMPY fluctuated

- Average PMPY claims for all members who had at least 1 hypertension claim in the past 24 months was \$16,498.
- Within the 510 members who had hypertension, 154 members had hypertension as their only chronic condition and their average claims per year were \$2,526.
- Comorbidities for members with hypertension drive claims severity. This highlights the importance and the complexity of managing chronic conditions.



# Mental Health Conditions



**20% (591) of members had a Mental Health claim in 2024, same as in 2023**

- The prevalence of mental health claims within the membership is 20% higher than expected.
- WSU's spend on mental health per claimant is \$1,143 which is 21% below norm.

Claimant Notes:	Current	Prior
<b>Claimants</b>	<b>591</b>	<b>633</b>
<i>19.8% of Unique Members Enrolled</i>		<i>19.5%</i>
<b>Prevalence Rate</b>	<b>1.20</b>	<b>1.19</b>
<b><i>Mental Health claimants were about 20% higher than expected (about 98)</i></b>		<b><i>19% higher (about 154)</i></b>

Cost Notes:	Current	Prior
<b>Paid Claims</b>	<b>\$675,592</b>	<b>\$956,218</b>
<b>% of Total Paid Claims</b>	<b>5%</b>	<b>6%</b>
<i>Norm</i>	<i>5.5%</i>	<i>4.9%</i>
<b>Paid per Claimant</b>	<b>\$1,143</b>	<b>\$1,511</b>
<i>Norm</i>	<i>\$1,453</i>	<i>\$1,307</i>

Top 5 Sub-Condition Categories	Paid Claims	% of Total	Claimants	% of Total
Depression	\$185,954	28%	189	32%
Attention Deficit Disorder	\$135,190	20%	109	18%
Mental Health Conditions, Other	\$131,280	19%	156	26%
Mood and Anxiety Disorders	\$125,619	19%	230	39%
Bipolar Disorder	\$45,230	7%	34	6%

# Top 10 Therapeutic Classes by Volume



**Mental Health drugs are the most common with 3,193 scripts total, but diabetes and arthritis are the most expensive due to brand/specialty drug cost**

Top 10 Therapeutic Classes - Prescriptions						
Therapeutic Class	Condition Treated	Unique Claimants	Scripts	% of Rx Total	Paid Claims	Paid per Script
1 Diabetic Therapy	Diabetes	245	1769	6%	\$958,187	\$542
2 Antiarthritics	Arthritis and Psoriasis	350	1083	3%	\$709,782	\$655
3 Biologicals	Vaccines	634	1163	4%	\$214,901	\$185
4 Other Cardiovascular Preps	High Blood Pressure & other heart disorders	304	1327	4%	\$70,373	\$53
5 Lipotropics	High Cholesterol	473	1885	6%	\$54,829	\$29
6 Psychostimulants-Antidepressants	Mental Health	575	3193	10%	\$49,427	\$15
7 Glucocorticoids	Inflammatory & Autoimmune Diseases	564	959	3%	\$26,170	\$27
8 Anticonvulsants	Seizures	188	1147	4%	\$21,316	\$19
9 Anti-Ulcer Preps/Gastrointestinal Preps	Gastro Disorders	312	995	3%	\$15,212	\$15
10 Other Antihypertensives	High Blood Pressure	387	1564	5%	\$10,770	\$7
Totals for Top 10			15,085	48%	\$2,130,967	\$141

# Spousal Coverage Rule

Implemented for the 2025 Plan Year

Parameters and Benchmark Data

# Spousal Coverage Rule for 2025



- Spouses eligible for their own employer-sponsored plan (outside of Wright State University) and deemed affordable by the Affordable Care Act (ACA), the spouse must enroll in their own employer's medical plan as primary coverage. You may enroll your spouse on the Wright State University medical plan as secondary.
- If the employee and spouse are both employed by Wright State University, the employee can enroll their spouse on their Wright State University medical plan as primary coverage. If enrolling jointly, the spouse with the highest annualized salary is required to be the policyholder.
- All employees enrolling a spouse on their Wright State medical plan as primary or secondary coverage are required to submit a Spousal Employment Verification form.

# Spousal Rule Benchmarking – Mercer 2023 Survey



Coverage Eligibility and Election	Wright State University	1,000 - 4,999 EEs	Higher Education	Midwest
Provisions for Spouses with Other Coverage				
Spouses are ineligible for coverage (% of Employers)		9%	18%	16%
Surcharge on coverage (% of Employers)		17%	13%	17%
Median monthly surcharge		\$100	\$98	\$100
No surcharge but considering (% of Employers)		9%	3%	10%

# Inter-University Council (IUC) Benchmarking Detail



## Benchmarking for Spouses Eligible with Caveats

Institution	If Employee's spouse is eligible for group health coverage through their employer's plan:	Other exceptions when the spouse rule does not apply:	Documentation required to enroll spouse:
Cleveland State University	Eligible	N/A	Marriage Certificate; Federal tax return issued within last 2 years; social security card
Central State University	Eligible and \$150 monthly spousal surcharge applies, unless obtain approval for waiver	Not specified	Marriage Certificate
Ohio University	Eligible and spouse/partner surcharge applies if employed and not enrolled on their own employer's plan	N/A	Marriage Certificate
University of Cincinnati	Eligible and \$75/month spouse/partner surcharge applies if employed and not enrolled on their own employer's plan	N/A	Not specified
Sinclair College	Sinclair plan can be secondary coverage	Spouse is: self-employed; on Medicare, Medicaid, or TriCare	Annual Spousal/Domestic Partner Certification
Bowling Green State University	BGSU plan can be secondary coverage	Spouse's employer plan pays less than 70% of total premium cost	Marriage Certificate; Annual Spousal Certification form
University of Akron	Akron plan can be secondary	Spouse's employer plan pays less than 50% of total premium cost	Working Spouse-Primary Coverage Certification
Youngstown State University	YSU plan can be secondary	Spouse works less than 25 hours/week and must pay more than 50% of monthly single premium or \$500/month, whichever is greater	annual certification form required for spouses covered as primary
University of Toledo	Not specified	Not specified	Not specified
The Ohio State University	Not specified	Not specified	Not specified
Kent State University	Not specified	Not specified	Not specified
University of Dayton	<i>No benefits info available publicly online</i>		

# Inter-University Council (IUC) Benchmarking Detail



## Benchmarking for Spouses Excluded with Caveats

Institution	If Employee's spouse is eligible for group health coverage through their employer's plan:	Other exceptions when the spouse rule does not apply:	Documentation required to enroll spouse:
Miami University	Excluded, unless required to pay more than 50% of premium	Spouse is: unemployed, self-employed & does not provide coverage for anyone, self-employed & provides coverage but pays more than 50% of total premium, retired & on Medicare, retired & pays more than 50% of premium	Copy of marriage certificate; Employer certification of other coverage
Shawnee State University	Excluded	Not specified	Spousal Healthcare Affidavit
The Northeast Ohio Medical University	Excluded	Spouse's employer plan is deemed unaffordable according to ACA rules	Not specified

# Health Management Initiative (HMI)

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Program Requirements and Why It's Important

# Health Management Initiative (HMI)



- 2024 HMI Program Requirements
  - Biometric Screening
  - Primary Care Visit
  - Online Health Risk Assessment
- Non-participation fee
  - \$150 per month fee for 2026 plan year
- Program deadline is 8/31/2025

## **Why is this important?**

*HUB's Databyte studies have found:*

- ❖ *Employees cost the plan 11% less (\$686) on average per year when they have their annual PCP visit. Spouses getting their annual visit cost 21% less.*
- ❖ *Members with chronic conditions who have their annual PCP visit cost 16% less (\$1,600) per year.*
- ❖ *Unmanaged hypertension claimants cost 200% (\$17K) per year more than managed.*
- ❖ *Members who have their annual PCP visit are 2x more likely to comply with age/gender screenings.*
- ❖ *Members who had a mammogram prior to a breast cancer diagnosis incurred 21% (\$5,000) less than those without a mammogram prior to diagnosis.*

# Thank you.

## Appendix: Glossary of Terms

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- **Loss Ratio** – the comparison of premiums being collected vs. claims being paid out
- **Pooling Point** - the limit to the amount of paid claims on one individual that will be charged against the claims experience of the plan (used more for fully-insured groups)
- **Specific Deductible** – the amount of employer liability per individual plan participant identified in the stop loss contract (used more for self-insured groups)
- **Specific Stop Loss** – the stop loss product that insures a company from the risk of individual large claims over a specified threshold called the specific deductible
- **Third Party Administrator (TPA)** – a company hired to process claims on behalf of the employer
- **Consortium** - when a group of businesses team up to provide insurance coverage. By joining together to provide coverage, you can save on administrative costs, which are spread out among the organizations, and obtain better discounts from the health plan.
- **Self-funded** – employer provides health benefits directly to employees and pays the health claims of the employees as they occur
- **Fully-insured plan**— employer purchases insurance from an insurance company; insurance company assumes the risk of providing health coverage for insured events